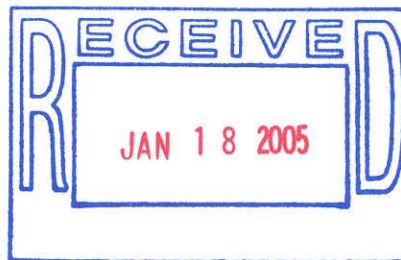


January 14, 2005

Virginia Department of Transportation
Innovative Project Delivery Division
1401 East Broad Street
Richmond, VA 23219

Attention: Daniele J. Noland

Reference: Midtown Tunnel Corridor Project



Dear Ms. Noland:

Thank you for the opportunity to submit this Statement of Interest (SOI) for any future procurement of the expansion of the Midtown Tunnel.

The parties to this SOI have decided to express our interest jointly. We each possess extraordinary relevant experience and skills, and are among the industry leaders in our respective fields. We excel for the magnitude of our international expertise, and for the depth and breadth of our local experience. Collectively, we understand the development, design, construction and financing challenges of a major transportation PPTA undertaking such as this. Following is a brief summary of each firm, and their anticipated contributions to a future pursuit team.

VINCI CONSTRUCTION GRANDS PROJETS

VINCI Construction Grands Projets was founded in 1987 as a result of the merger and consolidation of such century-old companies as Campenon Bernard, Dumez, Freyssinet, and GTM. The firm was established to meet the growing demand - both in France and around the world - for infrastructure and large facilities in transportation, the environment, power supply, information and quality of life services.

VINCI Construction Grands Projets brings a wide range of multi-disciplinary teams, unrivalled technical capability, and an outstanding track record in major building and civil engineering projects, and expertise in the management of complex undertakings. VINCI Construction Grands Projets offers design/build capabilities to government and private industry, delivering all-inclusive solutions for their privatization or outsourcing projects, and also to VINCI's own development process in concessions.

VINCI Construction Grands Projets has received ISO 14001: 1996 certification for its design and construction activities related to major turnkey infrastructure and facility projects, and have confirmed the ISO 9001: 2000 certification awarded in 2003.

VINCI Construction Grands Projets' annual turnover exceeds US\$ 1.5 billion (our parent company's annual turnover exceeds US\$ 20 billion), with average annual tunnel-related revenue of over US\$300 million. Ample financial references are available from such sources as Banks (BNP Paribas, Natexas Banques Populaires, and Credit Industriel et Commercial); Surety Companies (AXA Corporate Solutions Assurance); and Credit Rating Agencies (Standard & Poors and Moody's Investor Services). VINCI employs over 3,000 full time employees.

VINCI Concessions

Another possible partner in the Midtown Tunnel could be Vinci Concessions through its ownership in Cofiroute and Autoroutes de Sud de la France. Cofiroute was founded 30 years ago and today operates a 928 km network in the west of France. A further 200 km is either under construction or planned. In 2002, by becoming the leading private sector shareholder in Autoroutes du Sud de la France (ASF), the largest French concession holder with a 2,900 km network, VINCI Concessions demonstrated its determination to deploy its expertise in the service of important urban and rural development projects in France and elsewhere.



VINCI's complementary competencies in design, construction and concession operations, as well as its expertise in financial engineering, are particularly in evidence in major urban and rural road infrastructure around the world. The Tagus bridges in Lisbon, Severn crossings in the United Kingdom, Confederation Bridge in Canada, Prado-Carénage tunnel in Marseilles and the recently inaugurated Charilaos Trikoupi (Rion-Antirion) bridge in the Gulf of Corinth are noteworthy for their solutions to technical challenges and their innovative financial structuring.



VINCI's headquarters are located at:

VINCI CONSTRUCTION GRANDS PROJETS

5, Cours Ferdinand de Lesseps
92851 Rueil Malmaison Cedex – France
Tel : +33 1 47 16 34 54
Fax : +33 1 47 16 34 89
<http://www.vinci.com>

Anticipated Role in Project: Developer, Contractor, Financier

PARSONS TRANSPORTATION GROUP

Parsons is one of the world's largest engineering and construction organizations. Founded in 1919, Parsons is a recognized leader in large, complex infrastructure projects. Parsons has a worldwide reputation for exceptional technical and management performance on all types of civil infrastructure and transportation-related projects, particularly mega-project management and design. The company consistently ranks among ENR's top ten firms in design, construction management, and transportation. This reputation has evolved from our unwavering commitment to the delivery of complex engineering services on time and within client budgets.

Parsons has excelled on public sector work in all capacities, from designer to program manager to design-build design manager. Two notable examples of our regional transportation experience include the design and construction



support services for the \$800 million Woodrow Wilson Bridge; and the 30+ year role as General Engineering Consultant to the Washington Metropolitan Area Transit Authority (WMATA), with significant related tunneling achievements. In addition to these award winning projects, in the last 5 years, Parsons has been a design lead and/or JV partner for several mega transportation program management and design-build projects, including the \$1.2 billion Southeast Corridor Transportation Expansion (T-REX) project in Denver, the \$1.3 billion I-15 Reconstruction project in Salt Lake City, and the \$2.1 billion Louisville Southern Indiana Ohio River Bridges Project.

Parsons' Tunnel Qualifications

Parsons offers demonstrated leadership in the planning, design, permit/agency coordination, study (including geotechnical), construction, and program/construction management of complex tunnels and underground construction projects of more than 40 recent tunnel projects in the United States and worldwide. We have solid expertise in design/construct settings—in all capacities from designer to program manager and facility operator. Our range of expertise in underground construction encompasses underground transit systems; wastewater and water systems; hydroelectric projects; and highways.

Parsons has executed tunnel projects in a variety of ground conditions, including soil, weak rock, and mixed face tunneling, involving a myriad of construction methodologies and tunnel sizes. We have expertise in ground modifications and support, lining systems, instrumentation, and subsurface investigations to name a few relevant areas. Our experience includes successfully interfacing conventional and machine bored tunneling.

The firm maintains a staff of over 2,500 transportation planners; civil, structural, and traffic engineers; architects; and environmental specialists. Parsons is and remains the first and only transportation consulting firm in the US that is ISO 9001 certified for all of its operating offices.

Parsons Transportation Group is headquartered at:

PARSONS
1133 15th Street, NW
Washington, DC 20005
Tel: 202-775-3300
Fax: 202-775-6005
www.parsons.com

Anticipated Role in Project: Environmental Planner (NEPA and Permit Specialist), Designer, Traffic Modeling, Potential Joint Venture Partner, Construction Support Services, QA/QC, Safety

SERCO

Serco designs, develops and operates public services on behalf of government organizations around the world. Ranging from straightforward facilities management, to the realization and operation of complex assets under PPP and PFI structures, Serco's expertise and services delivery record spans more than forty years.

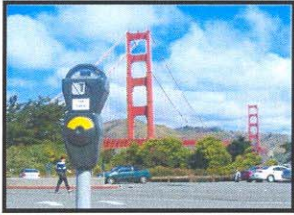
Our work ranges from the management of facilities, projects and IT systems, through to the creation of entirely new businesses. This includes the financing, design and building of new facilities, including hospitals and transport



systems, as well as their day-to-day operation. We run world-class scientific establishments, manage traffic in urban and suburban/rural environments, maintain buildings, operate railways and detain offenders.

Serco's Relevant Transportation Credentials

Serco Integrated Transport is the largest single Division within the Serco group, which operates road and rail services and transport infrastructure around the world. We can demonstrate an extensive experience and understanding of the issues involved in the operation and management of major road tunnels. For example, in Hong Kong we operate the Aberdeen, Lion Rock and Airport Tunnels on behalf of the Transport Department (totaling approximately 93,000 vehicle movements in 2000). Activities include Traffic Management, Control and Surveillance, Tunnel and Road Patrol, Vehicle Recovery, Tunnel Washing, Tunnel Maintenance, Building Maintenance, Air Pollution Monitoring and Control, and Manual and Auto-Toll Collection.



Serco collects and manages over £400 million a year in charges from travellers in cash, cheques, credit and debit cards, and smart cards. Serco operate tolling and charging systems around the world and have been responsible for the implementation of a range of smart/credit card charging schemes. For example, Serco were contracted to install 26,000 parking meters across San Francisco and to carry out the ongoing meter maintenance, collection, counting and accounting operations. In the UK we collect revenue from a number of rail operations, including the Docklands Light Railway in London.

Serco Integrated Transport headquarters:
Serco House, 16 Bartley Wood Business Park,
Hook, Hampshire, GR27 9UY, UK
Tel: +44 1256 745 900
<http://www.serco.com/sit>

Serco North America headquarters:
13873 Park Center Road, Suite 230
Herndon, VA 20171
Tel: 703-463-3000

Anticipated Role in Project: Operational Design Consultants, Tunnel Operations Management, Toll Revenue Collection, Potential Joint Venture Partner

CITIGROUP

Citigroup have expressed an interest in future participation, depending on the nature and scope of the solicitation.
www.citigroup.com

Anticipated Role in Project: Project Finance

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As requested in the RFI, our group is offering herewith a) our understanding of the project; b) our perspective on issues we believe are important to address in any future RFP, and c) a list of additional information we desire to better evaluate the feasibility of this opportunity.

A. Our Understanding of the Project

The continuing growth of Hampton Roads is stressing the transportation infrastructure. Active harbor facilities are a vital component of the local economy but the busy waterways cause natural constraints in the local road system. The few existing water crossings limit the overall flow of traffic in the region. Even with improvements to the regional Traffic Management System, the Downtown Tunnel, Berkley Bridge, and Midtown Tunnel constrain the capacity of the local roadway network.

The current Midtown Tunnel is a two-lane facility connecting the cities of Norfolk and Portsmouth. The sunken tube facility under the Elizabeth River currently carries 38,000 vehicles per day but in the next twenty years could grow to 64,000 vehicles per day if two more lanes were added to the tunnel.

A second tube for the Midtown Tunnel has been considered for many years. It was studied as part of the Pinner's Point Interchange Environmental Impact Statement but was not included in the final Record of Decision for that project because it was not included in the Hampton Roads Constrained Long Range Plan (CLRP). One of the main issues concerning future inclusion in the CLRP would be the identification of a funding source. A Public-Private Transportation Act (PPTA) venture has the potential to address funding and could lead to a successfully completed NEPA process.

VDOT is seeking initial interest from private entities that could assist in providing additional tunnel capacity at the Midtown Tunnel, share the risk of the venture, provide non-public funding, or other economic benefits. If sufficient



interest is determined, VDOT would consider soliciting proposals under the PPTA regulations. An implied portion of the venture would be the establishment of a user-based revenue stream to help fund the project.

B. Important Issues to Address in Future RFP

1. Status of NEPA Process – will VDOT obtain a Record of Decision for the expanded facility, or will that be the responsibility of the developer?
2. Ownership Structure - will the project be owned by the public sector, the private sector entity or a combination? Is there a preferred structure or do you want the bidder to be creative?
3. Project Delivery Method - Lump sum turnkey using Design/Build, Design/Build/Operate/Maintain (with or without financing) or long term concession?
4. Toll Policy/Toll Changes - Who sets and collects the tolls? Real or Shadow toll?
5. Evaluation Criteria - Will it be more important to minimize the toll, the amount of public sector capital grants, or NPV of public sector grants over the project life?
6. Actual Scope of Project - We recommend consideration of expanding the tolls and/or operations scope of the solicitation and procurement.
7. How would the proposed PPTA venture interact with VDOT's current Request for Proposal to have a private entity provide operations and other services for the Elizabeth River crossings (including the Midtown Tunnel) over the next 3 to 7 years?
8. Would VDOT allow the PPTA team to help expedite studies for inclusion of the project in the CLRP and allow the team to assist in the preparation of an EIS?
9. What operational constraints have been identified concerning ship traffic and national security issues?

C. Additional Information to Evaluate Project Feasibility

1. All prior traffic reports and modeling
2. Comprehensive geotechnical investigation along the concession alignment and basis for differing site conditions.
3. As built drawings for existing improvements
4. Evidence of local and regional support for this project; please identify known local opposition to the project.
5. Provide commercial terms of the concession contract.
6. Provide schedule dates for award, completion and intermediate milestones.
7. Will there be incentive and/or penalty clauses?
8. Define the Evaluation Process and Selection Criteria
9. Will the RFP include an escalation clause?
10. What are the Affirmative Action (DBE, SB) requirements?
11. How is the project to be funded and what, if any requirements will be passed on to the proposer?
12. Will there be a Buy America Clause and if so, state what items are covered?
13. Will there be any Conflict of Interest issues preventing us or any potential team members from proposing?
14. Stipulate the teaming and joint venture requirements, if any?
15. Disclose any special regulations affecting a proposal by a foreign corporation.
16. Stipulate the bonding and insurance requirements.
17. Will there be an escalation clause?
18. Will there be partnering?
19. Will you employ Alternative Disputes Resolution and if so, what type?
20. We suggest inclusion of "one-on-one" meetings with each team as part of the RFP development process.
21. Stipend/Honorarium - will the RFP provide for a stipend to cover cost of proposal preparation? If so, quantify the amount and the eligibility.
22. Who owns the unsuccessful bidder's proposal?

We trust you will find value in our submittal, and look forward to hearing from you as this opportunity develops further. Please contact either of the undersigned for any further information.

Sincerely,



Gary Adams
PARSONS
 Senior Vice President, Transportation
 gary.adams@parsons.com
 Tel: 202-775-3452

